

SUMMARY REPORT PURSUANT TO  
SECTION 33679 OF  
CALIFORNIA HEALTH AND SAFETY CODE

on funding for the

Acquisition of  
1020 PLACIDO AVENUE

Prepared by  
Redevelopment Agency of the City of Santa Barbara

February 28, 2011

*Revised*

## **INTRODUCTION**

The purpose of this report is to provide a summary of the proposed use of tax increment funding under consideration by the Santa Barbara City Redevelopment Agency (Agency) for The Housing Authority of the City of Santa Barbara's purchase of 1020 Placido Avenue to establish a new location for the Project Recovery residential detox facility (Detox Facility) that currently operates at Casa Esperanza (816 Cacique Street, Santa Barbara, CA). The Detox Center provides a safe, alcohol-and drug-free environment for the treatment of substance abuse issues. As required by the State of California Community Redevelopment Law (CRL) Section 33679, this report contains three sections as summarized below:

1. Estimates of the amount of taxes proposed to be used to pay for capital improvements. This section includes a brief table identifying the estimated taxes that would be used to pay for the acquisition.
2. Determinations/Findings by the Agency. This section sets forth the facts supporting the determinations required to be made by the legislative body pursuant to CRL §33445.
3. Redevelopment Purpose. This section sets forth the redevelopment purpose for which the taxes are being used to pay for the capital improvements.

A public hearing occurred on March 15, 2011, to consider the adoption of a Resolution of the City Council of the City of Santa Barbara approving and adopting the findings required by Health and Safety Code Section 33445 for Redevelopment Agency funding of capital improvements for the Housing Authority of the City of Santa Barbara's (HACSB) purchase of 1020 Placido Avenue located within the Central City Redevelopment Project Area (CCRP) and authorizing certain other actions. The Council approved an \$865,000 grant to the HACSB for the purchase of 1020 Placido Avenue. As part of that funding approval, the City Council directed staff to return to Council with a revised resolution containing findings of fact as required by Health and Safety Code Section 33445.

### **1. ESTIMATES OF THE AMOUNT OF TAXES PROPOSED TO BE USED FOR CAPITAL IMPROVMENTS**

Pursuant to CRL §33679.a, this document shall provide an estimate of the tax increment funding being considered for the project. The Housing Authority of the City of Santa Barbara would purchase the property at 1020 Placido Avenue for \$865,000.

### **2. DETERMINATIONS/FINDINGS BY THE AGENCY**

Pursuant to CRL §33679.b, the summary report shall set forth the facts supporting the determinations required to be made by the City Council pursuant to CRL §33445. Notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the project area, if the legislative body

makes certain findings. Provided below are findings under CRL §33445 (a).1-3 that would be made by the City Council:

[CRL §33445 (a) (1)]: That the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the project area by helping to eliminate blight within the project area or providing housing for low- or moderate-income persons.

The purchase of the property located at 1020 Placido Avenue, located within the CCRP, by the Housing Authority of the City of Santa Barbara for use by the Council on Alcoholism and Drug Abuse (CADA) as a Detox Facility is of primary benefit to the CCRP because it will help eliminate blight and the conditions that lead to blight by providing residential treatment facilities and services to individuals suffering from drug and alcohol addictions. There is a direct correlation between alcohol/drug abuse and crime both to persons and property. Crime is a blighting condition that directly impacts the safety of citizens, negatively impacts property values, and impedes economic growth in the project area. By ensuring that adequate treatment facilities and services are available, the Redevelopment Agency is addressing blight and the conditions that lead to blight.

As part of the purchase of 1020 Placido Avenue, the Housing Authority will be encouraged, through the Performance Standards Permit process, to provide for various property improvements including increased street lighting, as well as the formation of a neighborhood watch program. Capital and programmatic improvements such as these will lead to additional private and public improvements in the neighborhood and CCRP. Increasing the safety and security of residents, visitors and businesses within the CCRP and will generate increased pedestrian, commercial and visitor activity within the CCRP which will lead to increased investment and the elimination of blight and the conditions that lead to blight in the CCRP.

[CRL §33445 (a) (2)]: That no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community.

No other reasonable means of financing the Housing Authority of the City of Santa Barbara's purchase of 1020 Placido Avenue is available to the community. Funds from general obligation bonds, revenue bonds, special assessment bonds are Mello-Roos Community Facilities Act bonds, are not available and the issuance of new debt by the City to finance the Housing Authority of the City of Santa Barbara's purchase of 1020 Placido Avenue is not a feasible. The City, along with the state of California and federal government, is facing an economic crisis of historic proportions and is, therefore, unable to devote declining General Fund revenues to fund the acquisition of property to serve as treatment facilities. Taxpayers, also suffering from record unemployment levels and increases to living costs, are unable and unwilling to increase taxes, even to finance essential and efficient public services.

[CRL §33445 (a) (3)]: That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490.

The payment of funds for the Housing Authority of the City of Santa Barbara's purchase of 1020 Placido Avenue is consistent with the Agency's 2010-2014 Implementation Plan adopted pursuant to Section 33490 which provides as follows:

“Opportunity Acquisitions and Dispositions: The Agency will appropriate funds, as necessary, to acquire and dispose of real property and related to revitalization efforts that will contribute to developing and maintaining a vital Project Area. Funds would be for opportunity purchases or sales of property in the Project Area to be used for public-benefit development consistent with the plan.”

### **3. REDEVELOPMENT PURPOSE**

Pursuant to CRL §33679.c, the following are set forth as the redevelopment purpose for which taxes are being used to pay for the improvements for the Project Recovery Detox Facility at 1020 Placido Avenue:

The Redevelopment Agency of the City of Santa Barbara is undertaking certain activities for the planning and execution of redevelopment projects in the CCRP;

In order to meet the needs of the residents, visitors and commercial activities occurring within the CCRP, the residential treatment facilities and services provided by Project Recovery (Detox Facility) provides vital support services for individuals attempting to move beyond various alcohol and substance abuse issues;

The property located at 1020 Placido Avenue is located inside the CCRP; and

The Redevelopment Agency may, with the consent of the City Council, pay all or part of the cost of the acquisition of the Housing Authority of the City of Santa Barbara's purchase of 1020 Placido Avenue that would be publicly owned and is located within the CCRP, if the City Council makes the findings set forth above.

This project will help eliminate blight and the conditions that lead to blight by ensuring that adequate and efficient public services are available to individuals who may be on the verge of homelessness and a life on the streets. Left with no where to turn, these individuals may be forced into panhandling or crime which negatively impacts the CCRP. Increasing the safety and security of residents, visitors and businesses within the CCRP will generate increased pedestrian, commercial and visitor activity within the CCRP which will lead to increased investment and the elimination of blight and the conditions that lead to blight in the CCRP.”

## **REPORT AVAILABILITY**

This summary report shall be made available to the public for inspection and copying (at a cost not to exceed the cost of duplication), no later than March 4, 2011, when notice of the public hearing is first published.

The agenda and report for the March 15, 2011 Joint Hearing of the City Council and Redevelopment Agency Board will be available Thursday, March 10, 2011. When available, the agenda and report may be viewed at Office of the City Clerk (735 Anacapa Street, Santa Barbara, CA), or at the Redevelopment Agency office (630 Garden Street, Santa Barbara, CA) or online at [www.santabarbaraca.gov/CAP/](http://www.santabarbaraca.gov/CAP/).